Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMEMBASSY MOSCOW

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 064913

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: MARCH 21 EA PRESS SUMMARY

1. INDOCHINA

NYT'S FINNEY EXPECTS MATHIAS-STEVENSON PROPOSAL, UNCLASSIFIED

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TERMINATING ALL SVN MIL AID JUNE 30, WILL PROVIDE FOCAL POINT FOR DEVELOPING SENATE OPPOSITION TO MORE ARMS FOR SAIGON (EXCERPTED IN USIA WIRELESS FILE). WP'S DEWAR REPORTS MATHIAS-STEVENSON AMENDMENT

PLANNED TO BE HUNG ONTO MIL PROCUREMENT AUTHORIZATION BILL FOR FY 76. WOULD NOT AFFECT EXTRA GKR MIL AID OR SVN ECON AID. QUOTES SPONSORS THAT PROPOSAL NOT TIMED TO COINCIDE WITH GVN MIL REVERSES, BUT LOSSES UNDERSCORE NEED END US INVOLVEMENT AND AMENDMENT WOULD CONTRIBUTE TO "PEACE SETTLEMENT." PHINQ'S FRIEDMAN BELIEVES AMENDMENT HAS GOOD CHANCE FOR PASSAGE, UNLESS ADMIN AGREES SET RELATIVELY CLOSE DATE FOR END ALL AID.

AFTER THURSDAY SASC MEETING, SECDEF BLAMED CONGRESS FOR LOSS OF SVN CENTRAL HIGHLANDS, SAID COMMUNISTS PROBABLY PLAN DIRECT ATTACK ON SAIGON NEXT YEAR. WH'S NESSEN STATED NVA TAKING ADVANTAGE OF CONGRESS' DELAY ON AID. SEN SCOTT (PA) ACCUSED CONGRESS OF RETREATING

TO ISOLATIONISM, WARNED SOME DAY WOULD REGRET DECISION (UPI, CHITRIB). LAT'S JOHNSTON (GLOBE) SEES ADMIN CLEARLY TAKEN UNAWARES BY VN EVENTS AND BLAMING CONGRESS FOR COLLAPSE OF GVN RESISTANCE IN NEARLY 2/3 OF COUNTRY. NOTES ADMIN SEEMS ODDLY PASSIVE; QUOTES DOS' FUNSETH THAT "WE ARE NOT INVOLVED IN FIGHTING THAT WAR." REPORTS NESSEN READ FROM HANOI CP JOURNAL TO DEMONSTRATE NVN KEYED PLANS TO WHAT HAPPENS IN CONGRESS. SUN'S TREWHITT SEES ADMIN FOCUSSING BLAME ON CONGRESS, WITH LATTER DIGGING IN MORE DEEPLY AGAINST FURTHER GKR/GVN MIL AID. NOTES VIEWS ON BOTH SIDES EMERGED SO STRONGLY AS TO TAKE ON CHARACTER OF DEBATE OVER WHO LOST SEA. REPORTS FUNSETH BLAMED RECENT MIL ACTION IN SVN ON "THOSE WHO ARE ARMING" NVA -- CLEARLY MEANING USSR, PRC.

WP'S GETLER QUOTES SECDEF THAT DESPITE RETREAT, SVN
INTERNAL POLITICAL SITUATION CONTINUES "EXCEEDINGLY
STABLE" (EXCERPTED IN USIA WIRELESS FILE). CSM'S
SCHMIDT HEARS CLAMOROUS DEBATE IN PROGRESS BETWEEN ADMIN
AND CONGRESS OVER WHO TO BLAME FOR CAMBODIA DEVELOPMENTS
AND WHETHER ANYTHING CAN BE DONE. QUOTES HILL SOURCES
THAT NOW CERTAIN GKR WILL GET NO MORE MIL AID, AND GVN
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WILL GET ADDITIONAL FUNDS ONLY IF PRES SETS DATE FOR MIL AID END. SAYS HILL EXPERT INSISTS GVN DEBACLE DUE MISMANAGEMENT, CORRUPTION, INFLATION, ALSO USENCOURAGED OFFENSIVE AFTER C-F. CSM'S GODSELL NOTES PRES WORRIED ABOUT "NEW ISOLATIONISM," BUT BELIEVES CONGRESS RESPONDING LESS TO ISOLATIONISM THAN TO CHANGE IN NATL SENSE OF PRIORITIES. PUBLIC AND CONGRESS MORE WORRIED ABOUT ME EVENTS AND OIL SUPPLIES THAN SHAPE OF FUTURE SVN, CAMBODIA GOVTS.

IN INDOCHINA ROUNDUP, NYT NOTES ABOUT 40-PCT OF SVN REPORTEDLY BEING ABANDONED AS THIEU DENIES RETREAT FROM HUE. NVA TANKS REPORTEDLY 21 MILES NW OF SAIGON,

WHILE DISTRICT TOWN 60 MILES NE OF CAPITAL FALLS. IN CAMBODIA, NEAK LUONG STILL UNDER PRESSURE, BUT NEAR PP FANK SUCCEEDED IN DRIVING REBELS BACK FROM MEKONG EAST BANK. CHITRIB HAS FULL BACK PAGE AP, UPI PHOTOS OF VIET AND KHMER REFUGEES AND SVN SOLDIERS IN RETREAT.

MOST PAPERS CONTINUE EXTENSIVE COVERAGE OF REFUGEE EXODUS "NIGHTMARE" AS MILLIONS FLEE ABANDONED SVN PROVINCES; REPORTS SAY COMMUNIST GUNNERS BROKE REPORTED SAFE-PASSAGE GUARANTEE NEAR CHEO REO AND SHOT AT COLUMN, SENDING THOUSANDS INTO HILLS (NYDN, PHINQ).

AP (SUN, CHITRIB, GLOBE) DESCRIBES REFUGEE COLUMNS, ONE 20-MILES LONG; REPORTS GVN DENIAL OF DEAL WITH

COMMUNISTS ON WITHDRAWAL, AND THIEU BROADCAST THAT ADMITTED ABANDONMENT OF ONLY PLEIKU AND KONTUM AND SAID RETREAT MADE BECAUSE OF NVA BUILDUP AND LIMITED US MIL AID. AP SAYS REASON FOR GVN GIVING UP SO MUCH TERRITORY VEILED IN MYSTERY SINCE BAN ME THUOT ONLY MAJOR BATTLE (SUN). NYT'S WEINRAUB ON SVN CENTRAL COAST DESCRIBES ARRIVAL OF TERRIFIED REFUGEES WHO WERE UNDER NVA FIRE; BELIEVES HANOI WANTS TO THWART EXODUS (EXCERPTED IN USIA WIRELESS FILE).

WP'S MARDER NOTES GVN PULLBACK SURPRISED US WHOSE DIPLOMACY AT STANDSTILL AS THIEU TAKES "GREAT GAMBLE" (EXCERPTED IN USIA WIRELESS FILE). WP'S MCCOMBS UNCLASSIFIED

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IN SAIGON SEES MORE PROVINCES THREATENED, REPORTS GVN TO QUIT HUE BY MARCH 22 (EXCERPTED IN USIA WIRELESS FILE). NYT'S BROWNE AT SAIGON NOTES EVACUATION OF HUE PRESSED DESPITE THIEU PLEDGE TO CONTRARY; DESCRIBES EVENTS IN NORTHERN PROVS (EXCERPTED IN USIA WIRELESS FILE). NYT'S MIDDLETON SEES SAIGON BRACING FOR MAJOR BATTLE AS GVN AND COMMUNISTS RACE TO DEPLOY FORCES AROUND CAPITAL (EXCERPTED IN USIA WIRELESS FILE). PHINQ AND GLOBE REPORT 8 PROVS LOST (DARLAC, KONTUM, PLEIKU, BINH LONG, PHU BON, QUANG TRI, PHUOC LONG AND THUA THIEN), WITH NVA TIGHTENING GRIP ON 5 MORE (TAY NINH, QUANG NGAI, LAM DONG, QUANG DUC AND TUYEN DUC). ADD SAIGON OBSERVERS BELIEVE COMMUNISTS WILL HAVE BIG GUNS IN CITY'S RANGE IN 3-4 WKS, WITH ENOUGH AA TO FEND OFF VNAF.

CSM'S SOUTHERLAND IN SAIGON BELIEVES THIEU GIVING UP OUTLYING AREAS TO PRESERVE HIS FORCES, THOUGH APPEARS TO SOME HE EXAGGERATES NVA PRESSURE. MOST PREDICT STRONG GVN STAND AT DA NANG. CHITRIB'S YATES AT SAIGON QUOTES HIGH GVN MIL OFFICIAL THAT IRREVERSIBLE MORALE PROBLEMS PLAGUES ARVN AS RESULT OF RETREAT

FROM HIGHLANDS AND HUE. SAYS SOME ANALYSTS BELIEVE GVN GAVE UP HIGHLANDS BECAUSE SAW LITTLE VALUE IN DEFENDING THEM, WHILE OTHERS THINK US AID CUTOFF PROMPTED SVN CONCENTRATE TROOPS IN IMPORTANT AREAS. REFUGEES ARE PROBLEM.

VC PRESS AGENCY REPORTED FOREIGNERS AT BAN ME THUOT ARE SAFE, BUT DID NOT IDENTIFY THEM NOR MENTION THEIR FATE (REUTER, NYT).

VC COMMAND SAYS FORCES CAUSED NEARLY 40,000 GVN CASUALTIES, TOOK THOUSANDS OF POWS IN RECENT NORTHERN SVN, HIGHLANDS OFFENSIVE (REUTER, NYT).

BRITISH CLOSING PP EMBASSY BECAUSE OF DETERIORATING MIL SITUATION. ALL OFFICIALS WILL GO AND DIPLOMATIC RELATIONS WITH GKR CONDUCTED FROM SAIGON (AP GLOBE, SUN). NYT'S SCHANBERG IN PP REPORTS CLOSING OF BRITISH EMBASSY AND TALK IN CITY PROMPTED BY CONGRESSIONAL UNCLASSIFIED

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AID DEBATE (EXCERPTED IN USIA WIRELESS FILE). SUN'S ISAACS IN PP REPORTS US EMBASSY DEEP IN PLANNING POSSIBLE EVACUATION OF AMCITS AND FOREIGNERS. SAYS AMB DEAN HAD TO REVERSE SELF TO AVOID PANIC AMONG CAMBODIANS WHEN HE TRIED CUT DOWN STAFFS OF VOLAGS; "BUGOUT PLAN" EPISODE SHOOK "HOUSE OF CARDS." EMBASSY HAS COMPLETED "PHASE ONE," EVACUATION OF DEPENDENTS, AND "PHASE TWO," MOVING OUT UNOFFICIAL DEPENDENTS AND NONESSENTIAL PRIVATE AMCITS. BELIEVES EVENTS SUGGEST EMBASSY WANTED START "PHASE THREE," REDUCTION OF EMBASSY AND VOLAG STAFFS. SEES CONGRESSIONAL ACTION ON AID CRUCIAL TURNING POINT IN CAMBODIAN SITUATION. CONCLUDES EMBASSY UNDER ENORMOUS PRESSURE AND CANNOT DISCLOSE EVACUATION PLANS FOR FEAR OF LOCAL IMPACT.

SIHANOUK TELLS "FAR EASTERN ECONOMIC REVIEW" THAT LON NOL, 6 OTHERS WILL HANG IF CAPTURED. DENIES US EVER TRIED CONTACT HIM OR REBELS, AND REJECTS ANY NEGOTIATED SETTLEMENT (AP SUN, MYDN, GLOBE). PRINCE SAYS US AIRLIFT DOOMED TO FAILURE AND PP SHOULD FALL IN FEW WEEKS (UPI, CHITRIB).

HEAVY SHELLING ATTACKS ON NEAK LUONG HALT EVACUATION OF WOUNDED (UPI NYDN, CHITRIB). THAI GOVT LEADERS RAISE POSSIBILITY OF HALT TO US AIRLIFT, BUT NO INDICATION THAT RTG ACTUALLY CONSIDERING US END ALL THAILAND-BASED OPERATIONS (UPI, NYDN). ROCKETS HIT LONG BORET'S HOME, BUT PREMIER NOT INJURED (WP). REBEL PULLOUT REPORTED NEAR PP ON MEKONG EAST BANK (ANDELMAN, NYT - EXCERPTED IN USIA WIRELESS FILE). WP'S GREENWAY IN PP DESCRIBES SITUATION IN PP WHERE

FATIGUE JOINS TENSION (EXCERPTED IN USIA WIRELESS FILE). NYDN CENTER-FOLDS AP AND UPI PHOTOS OF PP RESIDENTS TAKING SHELTER AGAINST ROCKETS, AND WOUNDED CHILD BEING CARRIED TO AMBULANCE. LAT'S LESLIE (3/20) NEAR PP REPORTS GKR SOLDIERS REFUSING TO FIGHT UNLESS RECEIVE MONEY, RICE. QUOTES ONE THAT "WE'RE NOT BEING KILLED BY BULLETS. WE'RE BEING KILLED BY HUNGER." SEES EVENT AS PART OF GKR BUREAUCRATIC INEPTITUDE.

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NYT'S CLARITY IN MOSCOW WRITES OF THE TWO CAMBODIAN EMBASSIES THERE, EACH INSISTING OTHER IS PRETENDER (EXCERPTED IN USIA WIRELESS FILE).

2. CHINA

AAU'S CASSELL, NCUSCR'S ROSEN OUTLINED DETAILS THURSDAY OF MAY 15-30 PRC TOUR BY US TRACK AND FIELD STARS. ROSEN INDICATED CHINESE INTERESTED MORE IN FRIENDSHIP ASPECT OF EVENT THAN VICTORIES, AND THIS IS STRESS US WISHES PUT ON IT, ALSO (WP'S CLAIBORNE). ADDED THAT FINANCIAL HELP FROM US PUBLIC NEEDED TO HANDLE COSTS OF TRANSPORTING ATHLETES TO AND FROM PRC, WHILE PEKING WILL PICK UP ENTIRE TAB WITHIN CHINA (NYDN'S MOZLEY). AMDUR (NYT) REPORTS EARLY REACTIONS OF APPROVAL OF PRC COMPETITION VOICED BY SOME OF TOP US TRACK AND FIELD ATHLETES.

RADIO PEKING REPORTED FRIDAY THAT CCP HAS CALLED MEETINGS TO REORGANIZE NATIONAL ORGANIZATIONS FOR WORKERS, YOUNG COMMUNISTS AND WOMEN. BROADCAST SAID FIRST PREPARATORY MEETINGS FOR NINTH NATIONAL CONGRESS OF CHINA FEDERATION OF TRADE UNIONS, TENTH NATIONAL CONGRESS OF CCP YOUTH LEAGUE, AND FOURTH NATIONAL CONGRESS OF CHINA WOMEN'S UNION WERE HELD SEPARATELY IN PEKING BETWEEN FEB 26-MAR 20 (REUTER HK).

3. JAPAN

REUTER (TOKYO) CITES NIHON KEIZAI REPORT US PROPOSED IEA MEMBERS HOLD MINISTERIAL-LEVEL OIL CONSUMER CONFERENCE IN PARIS IN MAY, ACCORDING MOFA SOURCE. NON-IEA MEMBER FRANCE BELIEVED INVITED. CONFERENCE WOULD FOLLOW OECD MEETING ABOUT THAT TIME.

NYT SAYS EMPEROR, EMPRESS TO VISIT WOODS HOLE OCT 4, ANOTHER MARINE BIOLOGY INSTITUTE NEAR SAN DIEGO, DURING FIRST VISIT TO US THIS FALL; ALSO PLAN VISIT SEVERAL CITIES WITH SIZABLE JAPANESE

POPULATIONS; CHICAGO, LOS ANGELES, SAN FRANCISCO, UNCLASSIFIED

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HONOLULU.

USN CHARGES 69 SEAMEN FROM TRANSPORT USS DUBUQUE AT YOKOSUKA WITH ALLEGED SALE, USE NARCOTICS ABOARD SHIP (UPI, PHINQ).

JOC'S CULLISON IN TOKYO CITES ANONYMOUS LDP LEADER SAYING THURSDAY OFFICIAL DISCOUNT RATE EXPECTED BE CUT .5 PERCENT BY MID-APRIL, FROM ALL-TIME HIGH 9 PERCENT; SAYS NEEDED RELIEVE RECESSION, ELIMINATE ATTRACTION FOR MASSIVE INFLOW OF FOREIGN CAPITAL. ADDS NAKASONE TOLD COFC THURSDAY "APRIL WOULD SEE

180 DEGREE TURNAROUND" IN GOJ ECONOMIC POLICY.

CULLISON ALSO NOTES ALL JAPAN SEAMEN'S UNION DECISION HOLD STRIKE VOTE EARLY APRIL, IF CURRENT WAGE TALKS FAIL REACH AGREEMENT BY MARCH 31.

JAPAN AUTO MFRS ASSN FORECASTS 4.6 PERCENT DECLINE EXPORTS JFY 75, TO ABOUT 2.4 MILLION UNITS ALL TYPES (JOC TOKYO).

CHITRIB'S YATES IN TOKYO SEES JAPAN WALKING "SHAKY DIPLOMATIC TIGHTROPE" BETWEEN CHINA, SOVIET; JAPAN PREFERS SIGN PEACE PACTS WITH BOTH, BUT EACH VIEWS TOKYO AGREEMENT WITH OTHER AS "AFFRONT", AND JAPAN CAUGHT IN MIDDLE. OBSERVES JAPAN OPTS WAIT OUT "DIPLOMATIC WAR OF WORDS" BETWEEN MOSCOW AND PEKING, IN HOPE SOVIET WILL SOFTEN <<< END OF DOCUMENT >>

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